



**Billing Code 3110-01**

**OFFICE OF MANAGEMENT AND BUDGET**

**Office of Federal Procurement Policy**

**Cost Accounting Standards Board Meeting Agenda**

**AGENCY:** Cost Accounting Standards Board, Office Federal Procurement Policy, Office of Management and Budget

**ACTION:** Notice of agenda for closed Cost Accounting Standards Board meetings

**SUMMARY:** The Office of Federal Procurement Policy (OFPP), Cost Accounting Standards Board (CAS Board) is publishing this notice to advise the public of planned meetings on July 25, 2019, and August 21, 2019. The notice is published pursuant to section 820(a) of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2017, which requires the CAS Board to publish agendas of its meetings in the Federal Register. The meetings are closed to the public.

**DATES:** July 25, 2019, August 21, 2019

**ADDRESSES:** New Executive Office Building, 725 17<sup>th</sup> Street NW, Washington, DC 20503

**FOR FURTHER INFORMATION:** Raymond Wong, Staff Director, Cost Accounting Standards Board (telephone: 202-395-6805; email: [rwong@omb.eop.gov](mailto:rwong@omb.eop.gov)).

**SUPPLEMENTARY INFORMATION:** Section 820 amended section 1501(d) of title 41 of the United States Code to require that the CAS Board meet at least quarterly and publish a notice of its meeting, including the meeting agenda, in the Federal Register. To date, the CAS Board has convened five times in FY 2019, on (i) November 24, 2018, (ii) February 28, 2019, (iii) March 21, 2019, (iv) April 18, 2019, and (v) June 27, 2019. Due to the lapse in appropriations, the meeting originally scheduled for January 24, 2019 was rescheduled to February 28, 2019.

The Board held a brief status teleconference on January 24, 2019. The Notice of agenda for closed Cost Accounting Standards Board meetings, 83 Fed. Reg. 59422 (November 23, 2018), provides a description of agenda items covered at these meetings in November as well as the meeting in February that was rescheduled from January. The topics discussed at the March and April meetings fell within the same general scope as those described in the November notice. The topics discussed at the June meeting fell within the scope as those described in this notice.

The CAS Board is issuing this notice for public awareness of upcoming meetings to be held on July 25, 2019, and August 21, 2019. The list of agenda items for these meetings is set forth below. While CAS Board meetings are closed to the public, the Board welcomes comments and inquiries, which may be directed to the staff director using the contact information provided above. The CAS Board will discuss its accomplishments and activities for FY 2019 in its annual report to Congress, which will be transmitted after the end of the fiscal year, in accordance with section 820(e).

#### **Planned Agenda for CAS Board Meetings on July 25, 2019, and August 21, 2019**

1. *Conformance of CAS to Generally Accepted Accounting Principles (GAAP).* Section 820 requires the CAS Board to review and conform CAS, where practicable, to GAAP. The CAS Board will continue its discussion of the Staff Discussion Paper (SDP) addressing conformance of CAS 411, Accounting for Acquisition Costs of Material and CAS 404, Capitalization of Tangible Assets, to GAAP. The Board will also review public comments received in response to the publication of the first SDP on CAS-GAAP conformance. See *Staff Discussion Paper on Conformance of the Cost Accounting Standards to Generally Accepted Accounting Principles* (84 Fed. Reg. 9143, March 13, 2019). The first SDP provided a proposed conceptual framework and guiding principles to prioritize the evaluation of whether and to what extent CAS may be conformed to GAAP as well as an initial comparison of CAS 408, Accounting for Costs of

Compensated Personal Absence, and CAS 409, Cost Accounting Standard Depreciation of Tangible Capital Assets, for public comment.

2. *Review of CAS-Applicability Recommendations made by the Advisory Panel on Streamlining and Codifying Acquisition Regulations (the “section 809 Panel”).* On April 30, 2019, the Office of Management and Budget transmitted two legislative proposals to Congress – for consideration in the acquisition title of the National Defense Authorization Act (NDAA) for Fiscal Year 2020 or as part of other appropriate Congressional bills – addressing certain recommendations made by the Section 809 Panel in volume 2 of its report. One legislative proposal would repeal the statutory requirement for the Department of Defense to manage a Defense Cost Accounting Standards Board. The second legislative proposal would decouple the monetary threshold for CAS applicability from the threshold for Truth in Negotiations Act applicability and increase the basic threshold for CAS applicability from \$2 million to \$15 million. These proposals were developed with input from the CAS Board. Copies of these proposals may be found on the OMB homepage at <https://www.whitehouse.gov/wp-content/uploads/2019/05/NDAA-Transmittal-of-OFPP-Proposals-Summary-MPence-Entire-Leg-Pkg-Final-2.pdf> (see pp. 22-32). The Board will consider other CAS applicability recommendations made by the section 809 Panel.

3. *Review of Court and Board Decisions Related to CAS.* Section 820(a) requires the CAS Board to review on an annual basis disputes before the Boards of Contract Appeals (BCAs) or Federal courts involving its standards to determine whether greater clarity in CAS could avoid such disputes. The Board will discuss recent decisions by the BCAs and Courts involving its standards.

4. *CAS Board Working Groups.* The Board will assess the need for additional support on its pension harmonization working group. The working group has completed fact-finding for the SDP on Pension Adjustments for Extraordinary Events and provided recommendations to the Board to support promulgation of an Advanced Notice of Proposed Rulemaking (ANPRM) on this subject. The Board intends to simultaneously publish the SDP and ANPRM and reconvene the working group following receipt of public comments on the ANPRM. The Board will also evaluate the need for a dedicated working group to support ongoing work associated with the CAS-GAAP conformance project.

**Lesley A. Field**

*Acting Chair, Cost Accounting Standards Board.*

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